

THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY



8 - 10 JULY 1964

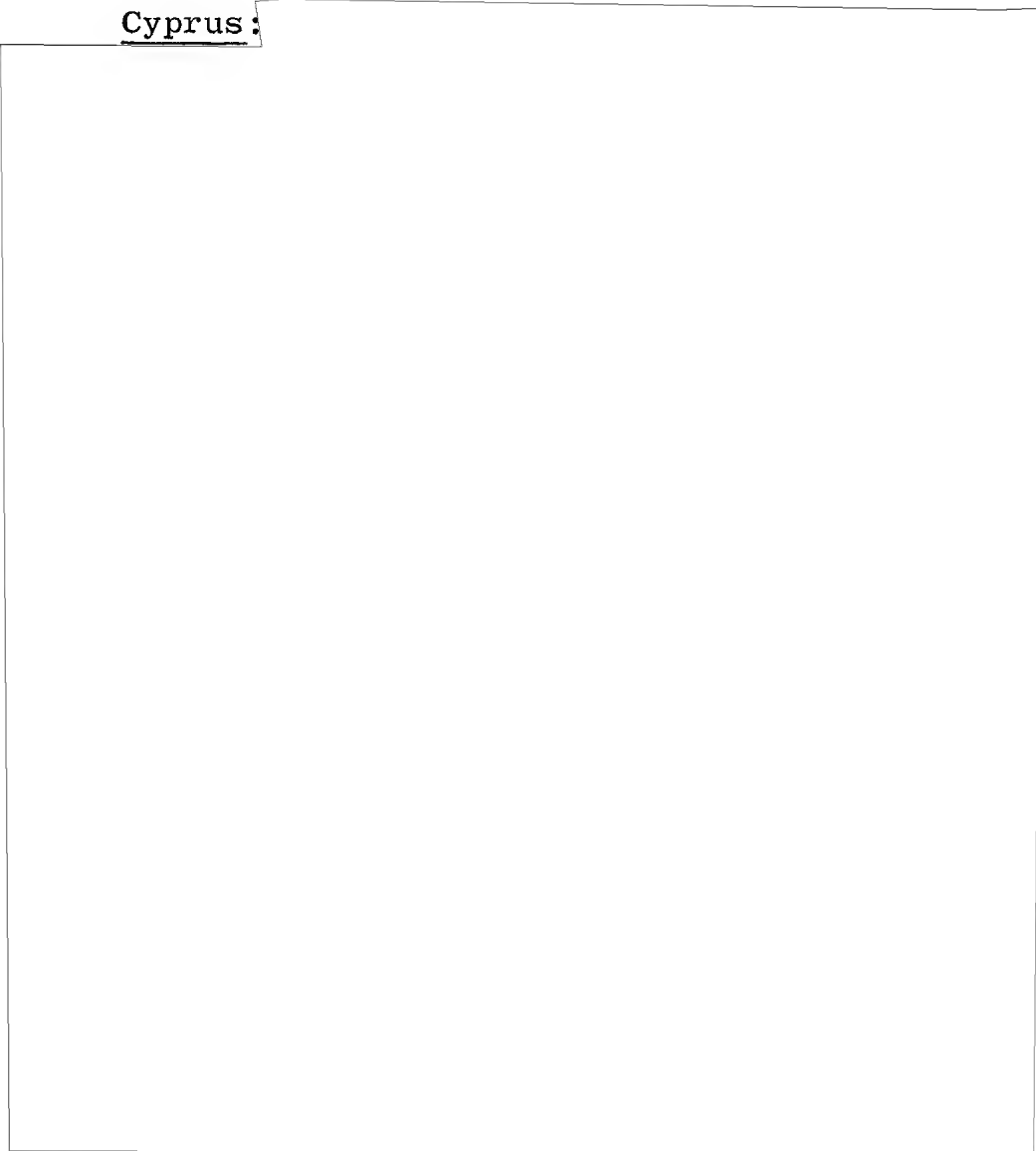
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9 July 1964

1. Cyprus:

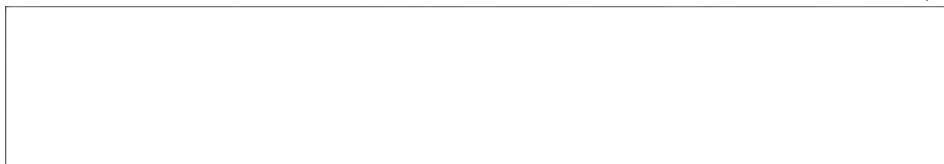
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2. Laos: A flurry of coup rumors began this week, but the Laotian Government's leaders discount them.

They have told US Embassy officials that no changes are imminent, but some of them said they would rather not predict the actions of the less responsible, lower level types. The rumors are continuing.



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3. Congo: Tshombé must expect to run the new government as a one-man show. His cabinet is made up of subservient friends or nonentities.

By running things almost singlehandedly, he probably hopes to build a reputation of indispensability that would serve him well in the elections later this year. The risk of failure is obviously great, considering the host of problems he will face.

He has made it clear he hopes that the US will help him out. He told Ambassador Godley he wanted "bygones to be bygones," which he implied would depend on continued US aid-- currently about \$50,000,000 per year.

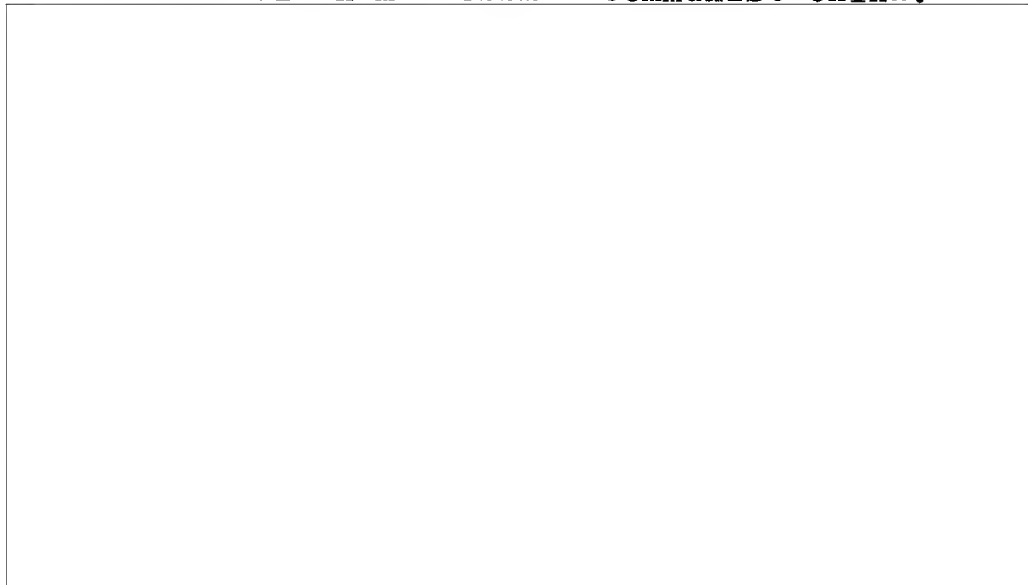
4. South Vietnam-North Vietnam: Hanoi appears to be sending more regular army personnel to strengthen the Viet Cong in northern South Vietnam.



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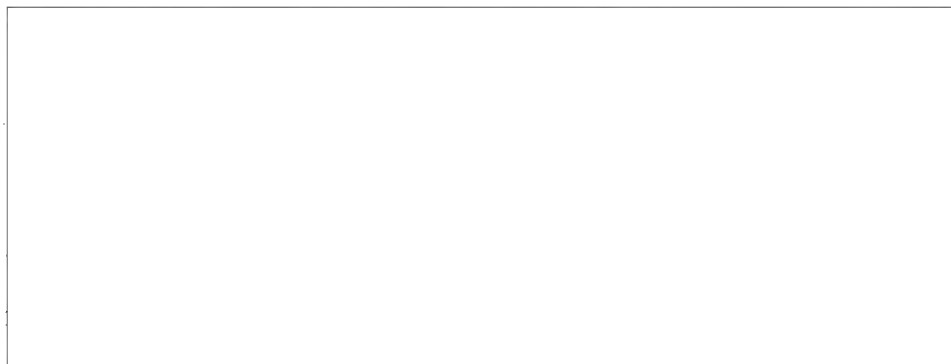
South Vietnamese officials in the northern provinces have been saying that new infiltrations are under way. They also claim to have heard that two North Vietnamese divisions have been moved to the Laotian - South Vietnamese border, but there is no confirmation of this.

5. North Vietnam - USSR - Communist China:



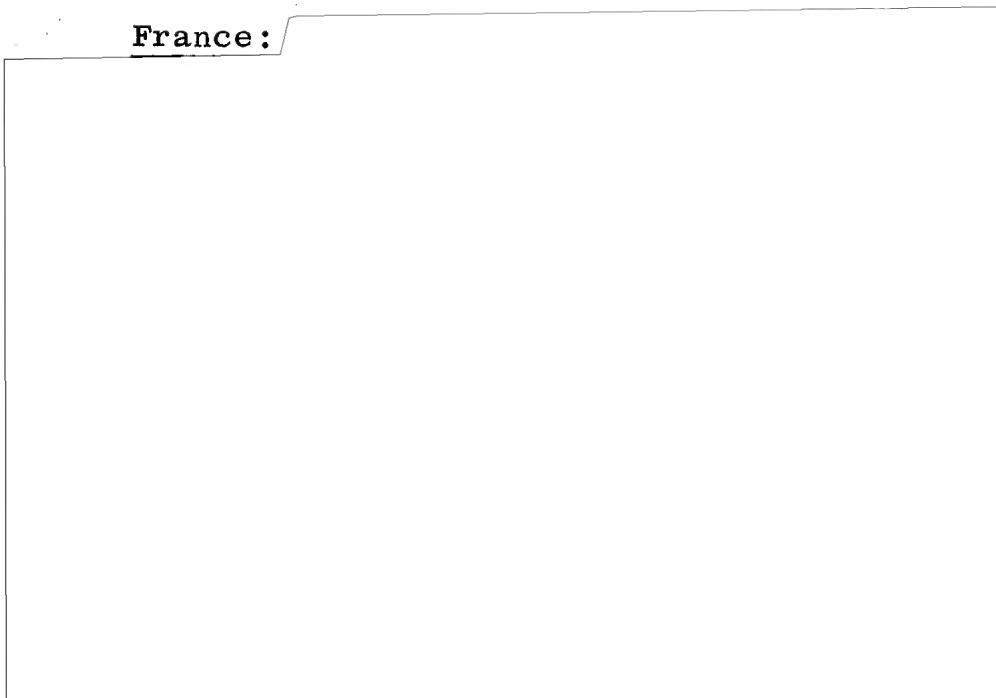
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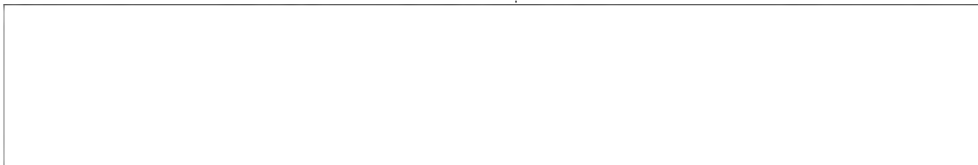
6. France:



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7. British Guiana: Racial incidents have brought the colony almost to the brink of civil war.

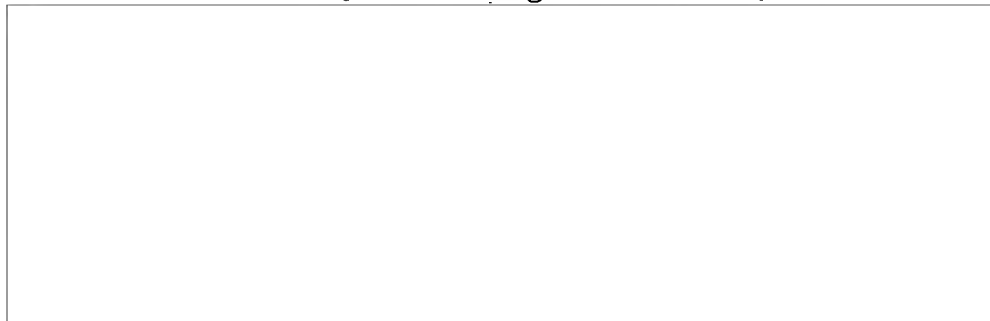
Thirty Negroes died in the bombing of a riverboat last Monday. The Negro population retaliated by beating three East Indians to death.



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A political solution seems almost unattainable. Jagan is maneuvering to form a coalition with Negro leader Burnham's People's National Congress, but Burnham, blaming Jagan for starting the current violence, will not accept. He is holding out for new elections under proportional representation.

8. USSR - East Germany: We cannot be entirely certain, but it appears that the Soviet 18th Guards Army is being disbanded.



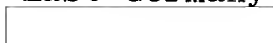
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This still leaves five Soviet armies in East Germany.



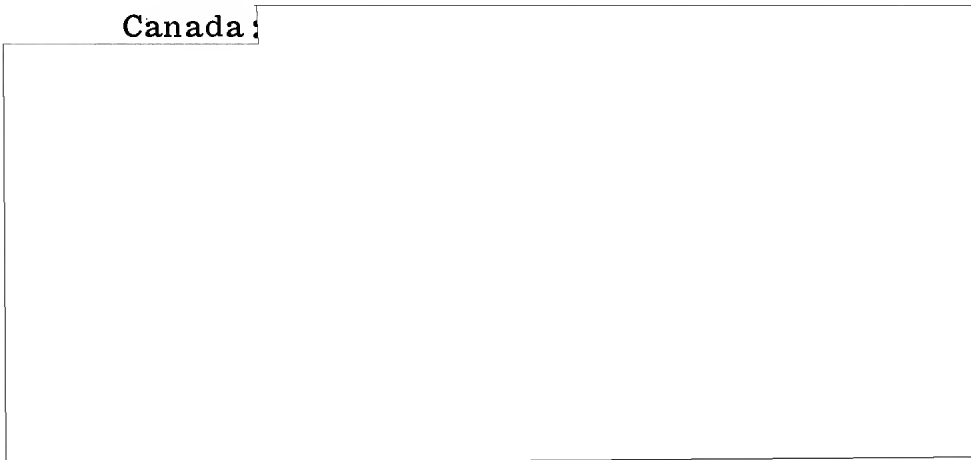
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9. Communist China - Burma: Chou En-lai arrived unheralded in Rangoon on 10 July, probably on a mission to get Ne Win's support against US policy in Southeast Asia.

Chou is likely to pressure Ne Win to go along with a communiqué condemning US "aggression."

The subject of a Geneva-type conference will also be on the agenda. The Burmese have avoided commenting on this up to now, but they are believed sympathetic to the idea.

10. Canada:



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11. Syria-Israel

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12. France: De Gaulle has confirmed to his cabinet his intention to run for the presidency in 1965

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A recent public opinion poll showed that Pompidou would be favored over Socialist candidate Gaston Defferre, if De Gaulle should withdraw from the contest.

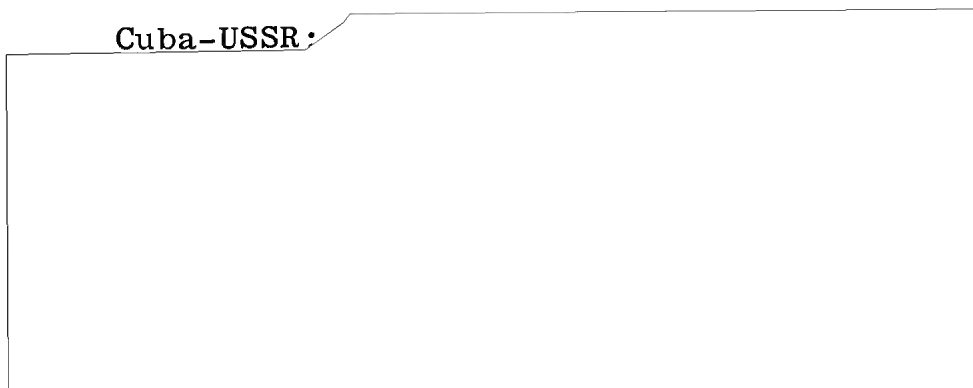
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13. Cuba:

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14. Cuba-USSR:



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15. Japan-Cuba: The Japanese have warned us that their trade with Cuba will be higher this year, totaling about \$24 million. They expect to buy more sugar and sell mostly consumer goods.

The Japanese official passing this information said he wanted us to be forewarned and hoped Washington would not "dramatize" it.

16. Argentina: The Peronist-dominated central committee of the General Confederation of Workers has voted to continue the agitation campaign it began some months ago.

This decision was opposed by most of the independent affiliates of the CGT, most of whom did not attend the meeting. An open split in the CGT seems to be in the making.

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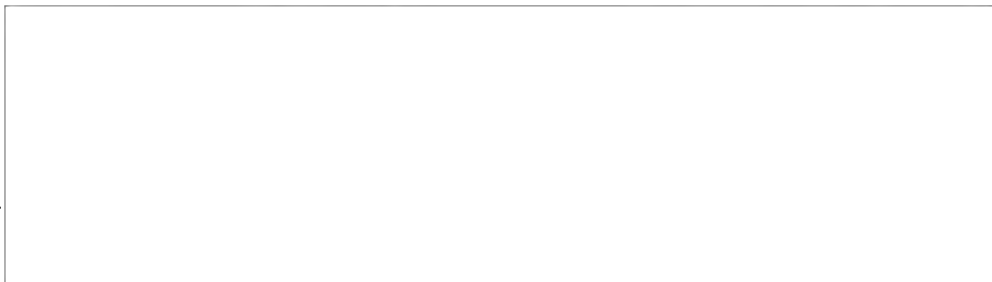
The campaign will consist of rallies and mass meetings. The CGT has hinted darkly at the possibility of more aggressive measures to come, but this may be only a publicity-getting device.

The government has started its own propaganda campaign to rebut the widespread criticism of its inaction on various needed reforms and its failure to do anything about the rising cost of living.

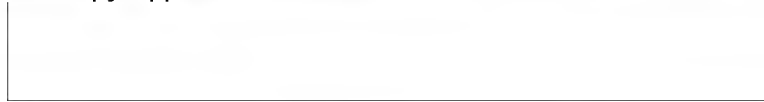
17. Mexico-US: The US proposal on solving the salinity problem has received at least tentative acceptance.

Foreign Secretary Gorostiza says it furnishes a basis for negotiations and probably a "modus vivendi." He commented that the Mexicali Valley would not consider it entirely satisfactory, but he appeared fairly optimistic.

18. France-Indonesia: The French have approved the sale of three helicopters to the Indonesians.



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